

Maine Revised Statutes
Title 36: TAXATION
Chapter 822: TAX CREDITS

§5213-A. SALES TAX FAIRNESS CREDIT

For tax years beginning on or after January 1, 2016, individuals are allowed a credit as computed under this section against the taxes imposed under this Part. [2015, c. 267, Pt. DD, §19 (NEW).]

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Base credit" means:

- (1) For an individual income tax return claiming one personal exemption, \$100 for tax years beginning in 2016 and \$125 for tax years beginning on or after January 1, 2017;
- (2) For an individual income tax return claiming 2 personal exemptions, \$140 for tax years beginning in 2016 and \$175 for tax years beginning on or after January 1, 2017;
- (3) For an individual income tax return claiming 3 personal exemptions, \$160 for tax years beginning in 2016 and \$200 for tax years beginning on or after January 1, 2017; and
- (4) For an individual income tax return claiming 4 or more personal exemptions, \$180 for tax years beginning in 2016 and \$225 for tax years beginning on or after January 1, 2017.

For the purposes of this paragraph, personal exemption does not include a personal exemption for an individual who is incarcerated. [2015, c. 328, §4 (AMD).]

B. "Income" means federal adjusted gross income increased by the following amounts:

- (1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;
- (2) Interest received to the extent not included in federal adjusted gross income;
- (3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and
- (4) The following amounts deducted in arriving at federal adjusted gross income:
 - (a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);
 - (b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);
 - (c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);
 - (d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);
 - (e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);
 - (f) Moving expenses pursuant to the Code, Section 62(a)(15);
 - (g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);
 - (h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);
 - (i) The self-employed health insurance deduction pursuant to the Code, Section 162(1);

- (j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);
- (k) Alimony paid pursuant to the Code, Section 62(a)(10);
- (l) The IRA deduction pursuant to the Code, Section 62(a)(7);
- (m) The student loan interest deduction pursuant to the Code, Section 62(a)(17);
- (n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18); and
- (o) The domestic production activities deduction pursuant to the Code, Section 199. [2015 , c. 267, Pt. DD, §19 (NEW) .]

[2015, c. 328, §4 (AMD) .]

2. Credit for resident taxpayer. A resident individual is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4.

[2015, c. 267, Pt. DD, §19 (NEW) .]

3. Credit for part-year resident taxpayer. A taxpayer who files a return as a part-year resident in accordance with section 5224-A is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4, multiplied by a ratio, the numerator of which is the individual's income as modified by section 5122 for that portion of the taxable year during which the individual was a resident plus the individual's income from sources within this State, as determined under section 5142, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire income, as modified by section 5122.

[2015, c. 267, Pt. DD, §19 (NEW) .]

4. Phase-out of credit. The credit allowed under this section is phased out as follows.

A. For single individuals, the credit is reduced by \$10 for every \$500 or portion thereof that exceeds \$20,000 of the income. [2015, c. 267, Pt. DD, §19 (NEW) .]

B. For unmarried individuals or legally separated individuals who qualify as heads of households, the credit is reduced by \$15 for every \$750 or portion thereof that exceeds \$30,000 of the income. [2015, c. 267, Pt. DD, §19 (NEW) .]

C. For individuals filing married joint returns or surviving spouses permitted to file joint returns, the credit is reduced by \$20 for every \$1,000 or portion thereof that exceeds \$40,000 of the income. [2015, c. 267, Pt. DD, §19 (NEW) .]

[2015, c. 267, Pt. DD, §19 (NEW) .]

5. Refundability of credit. The tax credit allowed under this section is refundable.

[2015, c. 267, Pt. DD, §19 (NEW) .]

6. Limitations. The following individuals do not qualify for the credit under this section:

A. Married taxpayers filing separate returns; or [2015, c. 267, Pt. DD, §19 (NEW) .]

B. Individuals who do not qualify as resident individuals because they do not meet the requirements of section 5102, subsection 5, paragraph A. [2015, c. 1, §42 (COR) .]

[2015, c. 1, §42 (COR) .]

SECTION HISTORY

RR 2015, c. 1, §42 (COR). 2015, c. 267, Pt. DD, §19 (NEW). 2015, c. 328, §4 (AMD).

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